



Special Crops

Newsletter

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Issue 2

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Upcoming Events

1. Discovery '98 Agri-Food and Fibre Forum
Melfort, Saskatchewan

February 6, 1998

Tel 1-888-718-5577

2. The Commercial & Industrial Hemp Symposium
Vancouver, B.C.

February 18 - 19, 1998

Tel 1-888-718-5577

3. Prairie Medicinal and Aromatic Plants
Conference '98
Saskatoon, Saskatchewan

March 5 - 7, 1998

To register, contact:
 Al Slinkard, Crop Development Centre
 Saskatoon, Saskatchewan
 Tel (306) 966-4978
 Fax (306) 966-5015

4. Opportunities & Profits II - Special Crops into the
21st Century Conference
Convention Inn
Edmonton, Alberta

November 11 - 13, 1998

To register, contact:
 Wayne Goruk
 Alberta Agriculture, Food & Rural Development
 J.G. O'Donoghue Building
 306, 7000 - 113 Street
 Edmonton AB Canada T6H 5T6

Tel (403) 427-3122 (dial 310-0000 first if calling long distance from Alberta)
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The "Special Crops" newsletter is published four times per year. Please direct any questions, comments, or suggestions for story ideas to:

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Mexico Market Report

When Alberta businesses look at export markets for their products, most of them will think of the United States, Japan, Taiwan, and other Asian markets. Mexico is still a mystery to many. This may be partly a result of the fact that news reports from Mexico in the last few years have focused on the "peso crisis" of early 1995, on corruption or on natural disasters. Many Albertans are not aware of the ongoing recovery of the Mexican economy or the desire of many Mexican companies to do business with Canadians. Here are some observations of the Mexican market for agri-food products in general and special crops in particular:

- ▶ The retail food sector in Mexico is growing rapidly thanks in part to investment by international retailers such as Wal-Mart, Price Club and Carrefour. Demand for imported products has increased rapidly with U.S. products accounting for more than 90% of Mexican food imports.
- ▶ Most stores devote a great deal of shelf space to beans (up to approximately 60 feet of shelves in some stores) as Mexican consumers still prefer to prepare their own meals. The demand for convenience foods is growing, however.
- ▶ Transportation to Mexico is improving. Improved rail service, increasingly liberalized cross-border trucking and new, regularly scheduled ocean freight have given Canadian companies a greater number of lower cost shipping options. New transportation/distribution facilities are also being built in Northern Mexico which will include packaging facilities and in-bond storage.
- ▶ Many barriers to trade still exist for Alberta exporters to Mexico. Perhaps the biggest barrier facing the special crops industry is the Mexican tariff rate quota (TRQ) on dry beans. Under this quota, 1,500 tonnes of beans can be imported from Canada duty free while the rest will face stiff tariffs. Despite the fact that Canada has not filled this quota in the last few years, some Mexicans are pushing for an early removal of the TRQ. Canadian pulse exporters also face a knowledge barrier in Mexico because most Mexican animal nutritionists are U.S. trained and are unaware of the benefits of pulses in livestock feed.
- ▶ Mexican agricultural production is decreasing. Continuing drought combined with economic difficulties have made it difficult for Mexican farmers to increase production to pre-1995 levels. While Mexico is one of the largest bean producers in the world, they are not self-sufficient.

In summary, while opportunities continue to arise in Mexico as a result of economic recovery, barriers such as transportation, tariffs and U.S. competition ensure that Alberta companies must be competitive and committed to take advantage of those

opportunities. Mexican buyers, particularly in the special crops industry, continue to look to Canada as a supplier of high-quality, competitively-priced products.

Doug McMullen
Marketing Officer
Marketing Services Division
Edmonton

Special Crops Rural Initiative Program (SCRIP)

What is SCRIP?

The Special Crops Rural Initiative Program (SCRIP) is proposed legislation designed to enhance the competitiveness of the special crops industry. It involves amendments to the Canada Grain Act which will do two things:

1. Facilitate the licensing of special crops dealers, and
2. Establish a producer insurance program.

In essence, the amendments combine affordable licensing of special crops dealers with a voluntary insurance plan for producers.

How did SCRIP come about?

In November 1994, the Canadian Grain Commission issued a discussion paper entitled, "Options for Regulating the Licensing and Security of Special Crops in Alberta". The paper was distributed to approximately 1,500 individuals and companies concerned with special crops on the prairies. Following circulation of the paper, a Canadian Grain Commission committee met with producers, processors, grain dealers, and elevator company representatives. The observations and recommendations which emerged from the discussions provided a clear indication of what the industry believed was required for future growth and stability. The key points identified were:

1. Security should be available on an optional basis.
2. The cost of licensing should not be a barrier to participation in the special crops industry.
3. The system should not impose additional and administrative costs on any sector of the industry.

These themes were incorporated into the March 1995, discussion paper entitled, "Principles of Regulating the Licensing and Security of Special Crops in Western Canada". Following the release of this report, an industry advisory committee was established which formed the basis for the new legislation.

When will it happen?

The Act which includes the amendments was tabled in the House of Commons on December 4, 1997. The Canadian Grain Commission is hopeful that the program will be implemented by August 1, 1998 but this depends very heavily on the abilities of companies to be ready with respect to insurance.

Who will administer SCRIP?

The licensing and the security programs will be administered by the Canadian Grain Commission.

How will it function?

The legislation will apply to sunflower seed, mustard seed, lentils, buckwheat, beans, peas, corn, safflower seed, soybeans, triticale, canary seed, chickpeas and fababeans in western Canada.

The licensing program will apply to all individuals or companies in western Canada which buy and sell special crops. These companies will require a Canadian Grain Commission license. Prospective licensees will be required to demonstrate financial ability by providing financial statements. Once the license has been obtained, periodic reports and annual financial statements will be required. The cost of a license will be about \$2,000.

The producer insurance program will be voluntary. Producers, however, must notify the Canadian Grain Commission in writing of their wish not to be involved or they will be considered members of the plan and eligible for coverage. The producer insurance premium will be 0.38 percent of the value of grain delivered to a licensed special crop dealer (with a 0.38% premium, a producer delivering \$100,000 worth of product would pay \$380). The level of compensation will be set, by regulation, at 90% of the total owed by the company.

For more information regarding the SCRIP, contact:

Marilyn Kapitany
Director
Corporate Services
Canadian Grain Commission

Tel (204) 983-2752
Fax (204) 983-0248
email: mkapitany@cgcc.ca

Julie Toma
Alberta Grain Commission
Edmonton

Company Profile

St. Denis Seed Farms Inc.

The Business

St. Denis Seed Farms Inc. is a family owned and operated business located 50 kilometers north of Edmonton, Alberta, Canada. As a leader in the pulse industry for the past 19 years, the company has pioneered many new innovations and changes. The company specializes in the production and exporting of quality peas, direct from producer to consumer. The modern pea plant is located adjacent to railway tracks with access to major highways. The facility consists of: 33 railway car spot on track, 100 ft platform scale, 9,000 metric tonne storage bins, receiving, cleaning and shipping equipment and an office. Future expansion will include pea splitting equipment and color sorters. We have just ordered a color sorter to remove bleached, immature, and off type peas. This will enable St. Denis Seed Farms Inc. to provide the best quality peas in the world.

The Producer

St. Denis Seed Farms Inc. farm operation, along with the contracted farmers, produce many types of peas. The company is a leading supplier of green and yellow peas for human consumption as well as the feed pea market. Also available are the peas for the rapidly expanding Niche Markets - green and red marrowfat peas and maple peas. St. Denis Seed Farms Inc. has the exclusive rights in Canada to over 12 different varieties of peas.

The Exporter

St. Denis Seed Farms Inc. (Export Division) is a major Canadian Exporter of pulse crops. The company can ship the product either bulk or bagged. Currently the company ships worldwide.

St. Denis Seed Farms Inc.
Joe St. Denis, President
Tel (403) 961-2111
Fax (403) 961-2426

Infrastructure Program Helps Rural Entrepreneurs

What do wild boar, water pipelines and saskatoon berries have in common? At first glance, not much. But take a closer look and you'll see that all three are playing a role in the diversification of Alberta's rural economy.

Whether it's an abattoir for specialty livestock, jars of saskatoon berry jam, or a water supply for a local industry, it's easy to see that diversification is a key to the long-term viability of Alberta's rural areas.

Making it happen isn't quite so easy. In many rural communities, the lack of an adequate water supply or water treatment system has often meant businesses simply locate elsewhere taking valuable jobs with them.

But that's beginning to change, due in part to the Canada Agri-Infrastructure Program (CAIP). Part of the Western Grain Adjustment Fund, CAIP is designed to help diversify the economy of rural Alberta by removing barriers to development. Water, or more precisely lack of it, is one of those barriers.

Under the program, funding is available for projects such as rural water pipelines, water treatment plant upgrades, municipal water and sewer line installations, and effluent water catchment and treatment systems.

"Rural areas need good quality water supplies to be able to provide rural development opportunities," said Andrew Cullen of Alberta's CAIP Committee. "Under this program, rural groups, municipalities and Indian Bands can receive cost-shared assistance to pursue value-added processing of farm diversification opportunities."

A number of projects are already under way. A new water pipeline has led to the development of a large greenhouse facility in Bow Island, while a water infrastructure upgrade means the village of Irma will now be able to accommodate a new agriculture division of the Alberta Wheat Pool. Elsewhere, an upgraded water supply and wastewater infrastructure has put Lethbridge in position to attract a major pork processing plant, while CAIP assistance has contributed to a new water supply for 550 farms south of that city.

But CAIP is about a lot more than water pipelines. In Smoky Lake, the Food Processors' Association of Northeast Alberta has used CAIP funds to establish a regional food processing centre. The federally inspected plant will be open to all processors, offering specialized food processing equipment on a daily or hourly rental basis.

Other projects include the first ever mobile abattoir, which will slaughter specialty livestock at several permanent "docking stations" throughout the province. Then there's the Southern Alberta Food Processing Centre, which provides berry growers with a market for their berries, or allows them to rent the space and equipment needed to process the berries themselves.

"Many rural entrepreneurs now doing small scale food processing are unable to expand beyond the farmers' market," said Cullen. "This program can help entrepreneurs buy the equipment they need to get to the next level."

The program promotes the sharing of information, equipment or technology through partnerships, co-operatives and community associations. Small to medium sized companies can receive assistance for the commercialization of new technology, specialized equipment installation, product development or market testing of products relating to the agriculture sector.

The deadline to apply for CAIP assistance is December 31, 1998. For further information about the program, contact the Prairie Farm Rehabilitation Administration (PFRA) office nearest you.

Andrew Cullen
PFRA
Calgary

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Job Opportunity

**Regional Advisory Services
Agrologist III
Salary Range \$39,312 to \$48,236**

PULSE AND SPECIAL CROPS SPECIALIST


Competition No. A197E-4407-11

OLDS: We are seeking an individual with strong technical knowledge in the areas of pulses, peas and other special crops of significance to Central Alberta. As a valued member of a team committed to excellence, you will provide leading edge information and training to producers, industry and organizations. You will partner with staff and industry to develop and deliver information and conduct applied research in your area of expertise. A strong customer service focus and an enthusiastic approach to teamwork is essential. A B.Sc. in Agriculture, preferably majoring in plant science, is required; a related M.Sc. is highly desirable. Preferred experience would include assessing client needs, applied research and program development and delivery.

Considerable experience in developing and interpreting Western Canadian production and management information in both a problem solving and educational role within your related specialty is required. NOTE: For AGROLOGIST positions candidates must be eligible for membership in the Alberta Institute of Agrologists.

CLOSING DATE: January 23, 1998

To apply, please submit a resume, quoting competition number to: Trudy Ayotte, Human Resource Services, Alberta Agriculture, Food and Rural Development, Main Floor, J.G. O'Donoghue Building, 7000 - 113 Street, Edmonton, Alberta T6H 5T6 Telephone (403) 422-4708 or FAX: (403) 427-3398. Visit our web site: <http://www.agric.gov.ab.ca/>



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